

CITY OF NEWBERG CITY COUNCIL MINUTES
APRIL 5, 2010
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM
401 EAST THIRD STREET

Work Session was held prior to the meeting. A discussion on the Budget occurred; a presentation from County Commissioner Mary Stern regarding YCAP; an update from Portland-Vancouver Regional Partners Council for Economic Development; and a presentation on base fine amounts were given. No decisions were made.

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:05 PM.

II. ROLL CALL

Members

Present:	Mayor Bob Andrews	Denise Bacon	Bob Larson
	Stephen McKinney	Bart Rierson	Marc Shelton
	Wade Witherspoon		

Staff

Present:	Daniel Danicic, City Manager	Terrence Mahr, City Attorney
	Barton Brierley, Planning and Building Director	Norma Alley, City Recorder
	Howard Hamilton, Public Works Director	Jennifer Nelson, Recording Secretary

Others

Present: Bryan Stewart, Deborah Galardi, Phil Smith, Mike Gougler, Patrick Fale, Tony Rourke, Chuck Zickefoose, Louis C. Larson, Pat Haight, Ron Morgan, Brenda Dotson, Hank Grum, Martha Goldenstein, Shirley J. Cooper, Laura Nunn, Grace Schaad, and Sid Friedman

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. CITY MANAGER'S REPORT

Mr. Daniel Danicic, City Manager, reminded Council of upcoming events such as the Chehalem Valley Chamber of Commerce 2010 Awards Banquet this Thursday, April 8, 2010 at 6:00 PM in the Newberg High School Cafeteria Commons; George Fox University's (GFU) Candidate Forum this Friday, April 9, 2010; and the Chamber will be hosting a County Commissioner Candidate Luncheon on April 29, 2010 at the Friendsview facility. He discussed a letter from the school district about considering a daytime curfew, a meeting is scheduled for Monday and he will report back. Finally, he announced the Newberg Oregon City Council Facebook page is up and running as another tool to keep the public informed; there are currently twenty-six fans and there were eighty-two visits last week.

V. PUBLIC COMMENTS

Mr. Bryan Stewart, City Landscaper/Gardener, wished to personally thank the Council as a representative from the Camellia Planning Group for their generosity and support. He said a proclamation was passed forty-nine years ago yesterday to make the Camellia the official City Flower and he spoke of the television coverage at the Camellia Festival and expected air times.

VI. CONSENT CALENDAR

1. Consider a motion approving a **Resolution No. 2010-2894** awarding the construction contract to LCG Pence Construction for the Animal Shelter Project.
2. Consider a motion approving a **Proclamation** declaring April 11-17, 2010, as National Public Safety Telecommunications Week.
3. Consider a motion approving **City Council Minutes** for March 1, 2010.

MOTION: Shelton/Larson approving the Consent Calendar including **Resolution No. 2010-2894** awarding the construction contract to LCG Pence Construction for the Animal Shelter Project, a Proclamation declaring April 11-17, 2010, as National Public Safety Telecommunications Week, and the City Council Minutes for March 1, 2010 as amended. (7 Yes/0 No) Motion carried.

Mayor Andrews presented the proclamation to Ms. Mary Newell, Support Services Manager.

VII. PUBLIC HEARING

1. Consider a motion approving **Resolution No. 2010-2885** adopting new Water Rates effective July 1, 2010.

TIME – 7:20 PM

Mayor Andrews introduced the hearing indicating it will be broken up into two City Council meetings. He said the staff reports will be heard on each utility rate increase and oral testimony accepted this evening, then the record will remain open for written testimony only through April 12, 2010; Council deliberations will continue at the April 19, 2010 meeting. He asked for all citizens to indicate if they wish to provide general testimony for all three rate increases or if they have specific comments for any one of the three. He opened the legislative hearing and called for any conflicts of interest or abstentions; none appeared.

Mr. Howard Hamilton, Public Works Director, presented the staff report with assistance from Ms. Deborah Galardi, Galardi Rothstein Group (see official meeting packet for full report).

Councilor Marc Shelton asked how soon the City would be hearing if the state and federal monies might be available.

Mr. Hamilton replied the Clean Water State Revolving Fund information will be let in July for fund recipients; Newberg is still ranked on the list and could expect up to \$9,500,000.00 if the City can show it has the funding to pay it back. The City also had an application for the Recovery Zone Economic Development Bonds. Newberg was the only city in Yamhill County and the County declined to receive them.

Councilor Shelton said he appreciated the work the Citizens' Rate Review Committee (CRRC) has done to look at not putting as much as in reserve, but if 1% were pulled to fund current needs with potential suits for a system which has not being upgraded in years; he asked how much that would be. Ms. Galardi stated it would be about \$10.83 per month in combined savings or about \$1.00 a month. It was mentioned this would be an advantage for potential grants to have money built up and available to help projects move forward if needed. Councilor Shelton asked how much of a reduction occurred from what was proposed to be put in reserve two years ago. Ms. Galardi stated the target was a couple million dollars to go into reserve, but the water rate was significantly reduced which cut that amount in half and wiped out the ability to generate a reserve; this added to the economic struggles with a reduction in customers not only prevented adding to the reserve but is also now potentially preventing the City from meeting its debt requirement.

Mayor Andrews opened the public testimony.

Proponents:

Mr. Tony Rourke, CRRC, spoke of the City's risk assessment possibly increasing if fines are sanctioned and expressed concerns for the difficulty of trying to come up with unplanned money, especially if the State begins calling for Newberg to start paying back its outstanding debt. He spoke of the actual debt payment in interest being thirty million dollars over what original debt and having to be spread those costs across all the citizens will make the rates go up. He spoke of today's citizens paying for the past decisions to hold rates flat for ten years and how the City needed to stop the madness and gain control, not dig deeper into debt. He recognized the difficult economic times and spoke of people needing to look into the assistance program.

Mr. Charles Zickefoose, CRRC, emphasized Mr. Rourke's statements by adding they looked at all alternatives and cut where they could. He said infrastructure is continuing to fail and the economy is a nation wide problem, but two more years of letting this go increases the risks, particularly at the waste water treatment plant; the rate increase is the only way to get Newberg back on its feet again.

Mr. Mike Gougler, CRRC, stated he and the entire committee shared a deep appreciation and concern for the impact of rate increases on themselves and their neighbors. He spoke of meeting every other week for a year with a talented group of individuals with great understanding of water, sewer, and storm utilities as well as some interested citizens. He said they all acknowledged the consequences of previous actions and made recommendations based on the current needs. He asked for the Council's support.

Councilor Bart Rierson spoke of the thankless position of the CRRC volunteers serve and how the majority of people will not approve or appreciate the recommendations, but he said there are very real needs and someone has to pay although it is difficult to do in tough economic times.

Mr. Patrick Fale spoke of the risks verses the benefits and stated he was reluctantly in favor of the increases. He said he was aware of the economic climate, but he felt the financial hardship does not outweigh the financial repercussions. He said he is just a citizen with limited information on the subject, but he figured the City either pays now or later and he would rather pay while it's cheaper.

Mr. Phil Smith, Planning Commission, stated it is irresponsible for a city government to gamble with city money when they do not make prudent investments.

Opponents:

Mr. Louis C. Larson passed around groupings of money to represent to the Council the monthly utility increases he would be subject to in the first and second year of the proposed new rates, which he averaged at twelve to thirteen dollars. He spoke of average unemployment benefits being \$300.00 a week, the increase in demand for free meals, and the increase in house foreclosures as top reasons why families could not afford even an additional twelve to thirteen dollars a month. He said that \$400.00 represents the annual impact on families with the increases and proposed a delay of increase and to predicate rates based on the individuals' ability to pay instead on a usage basis.

Ms. Pat Haight spoke of being a fourth generation citizen of Newberg and her concerns for how far in debt the City Councils of this town have put its citizens in debt. She also noted that not everyone gets notices in the mail if they do not own property. She spoke of living on \$800.00 a month and needing to borrow money to cover the fact that the City overspent the citizens' money. She spoke of there being citizens that still have jobs and can still go out to eat for dinner not caring about the rest of the citizens who do not have any more money to pay

increasing bills without an increase in income. She said there will not be a town if the people cannot afford to live here and how people do not think they are being heard when the City keeps spending money and expecting the citizens to pay for it when they can't.

Mr. Ron Morgan spoke of attending some CRRC meetings and his concerns for seniors and others living on fixed incomes or Social Security. He spoke of the value of the dollar going down and the cost of things going up and how this is putting people in a position where they cannot afford to pay their bills. He spoke of the citizens of Newberg being expected to balance the scales when there is not enough money to do so. He asked for a maximum increase of \$7.00 a month or \$84.00 a year because no one can afford anything more.

Ms. Brenda Dotson spoke of recently buying a trailer for \$7,000.00 which was assessed at \$10,000.00 shortly after, increasing her taxes. She said she does not pay for water but any increase will be reflected in her rent and being on disability, she does not get any raises. She spoke of already getting assistance from other organizations in town already to take care of her family and how continuing to raise rates without people having extra money coming in is going to be a problem.

Mr. Hank Grum said those on fixed incomes are not entirely fixed because depending on the interest rates sometimes that income is shrunken. He spoke of the City building a treatment plant with grant money and letting twenty years go by without saving any money. He said it was time for the water business to be privatized in this town because all levels of government think there are ever deepening pockets when the citizens' purses are shrinking everyday. He noted that there was a lot of talk at the CRRC meetings to raise revenue, but not of mitigating costs.

Ms. Laura Nunn was not present to testify when her name was called.

Ms. Martha Goldenstein said she was a retired U.S. Army Sergeant who has lived in Newberg for twenty-five years and now lives with her sister. She said she is on Social Security benefits and military retirement; neither income is subject to a cost of living raise. She said all of her bills have increased, such as water, property taxes, and electricity, but there is zero money coming to pay for them. She said she is legally blind and diabetic and must now hire a caretaker for her sister who is currently in the hospital. She said with no money, these increases are hurting her and many others in similar situations.

Ms. Shirley Cooper said she has been a resident of Newberg for thirty years and has been undecided on the matter because she did not get to look at all the information concerning capital improvements. She wondered how much of the projections would cover the costs of building facilities to take care of the future industrial site. She wondered if putting costs for capital improvements onto the citizens was right at this time.

Mr. Danicic stated at this time the projects in the capital improvement program are for providing services to existing customers and dealing with deficiencies in the existing infrastructure; any industrial sites would require system enhancements, which would be paid for by System Development Charges (SDCs) as they are developed.

Ms. Cooper wished to know where in the budget she would find that in writing because it looks to her like the individual ratepayers are paying to cover past debts and future capital improvements. Mr. Danicic stated he could have that put together for her.

Councilor Rierson added concerns for the issues of overflow during recent heavy rainfalls and the high levels of raw sewage flowing into the Willamette River, which could have the City facing huge fines if they do not bring the system up to code. He also spoke of it being a main focus of the CRRC to see that funds are spent fairly.

Mayor Andrews closed the oral public testimony leaving the written record open.

Councilor Rierson asked if the City Manager could find a place on the website to post any information he is preparing to address questions so anyone could access it.

Councilor Shelton emphasized the money paid through water rates cannot be used in the general fund because it is against the law, just as dumping raw sewage into the Willamette River is.

Mayor Andrews recessed for five minutes at 8:42 PM. Deliberations will continue at the April 19, 2010, City Council meeting.

2. Consider a motion approving **Resolution No. 2010-2886** adopting new Wastewater Rates effective July 1, 2010.

Deliberations will continue at the April 19, 2010 City Council meeting.

3. Consider a motion approving **Resolution No. 2010-2887** adopting new Stormwater Rates effective July 1, 2010.

Deliberations will continue at the April 19, 2010 City Council meeting.

4. Consider a motion approving **Ordinance No. 2010-2724** adopting amendments to the Newberg Comprehensive Plan Housing Element and the Comprehensive Plan Housing and Institutional Land Needs and Supply Data.

TIME – 8:48 PM

Mayor Andrews called for any conflicts of interest or abstentions; none appeared.

Mr. Barton Brierley, Planning and Building Director, presented the staff report with updates and staff recommendations (see official meeting packet for full report).

Andrews opened public testimony.

Ms. Grace Schaad said she was concerned with possible conflict of interest because according to page 194 of the staff report a document the City used to justify findings showed a citation from The Benkendorf Associates Corporation where while Al Benkendorf worked for the City of Newberg while he was also a consultant for Lewis and Clark College's proposal for fifty-nine acres on Corral Creek Road to be in the Urban Growth Boundary (UGB) that was never in the Urban Reserve Area (URA) and information was filtered to the ad hoc committee to support development of that land which is a conflict of interest.

Councilor Stephen McKinney asked staff if the date associated with the citation was correct as appears on page 194 as June 30, 2004. Staff replied the date was correct.

Mr. Sid Friedman, 1000 Friends of Oregon, said he had a fundamental disagreement over how to determine what land can be brought into the UGB. He said he did provide additional written testimony addressing the requirement of a city to see if rezoning can be used to meet needs prior to expansion as it relates to housing affordability. He said more a compact development pattern reduces costs rather than expanding out to the fringe. Discussions followed concerning proposed future site for development of Newberg High School being on the edge of the reserve.

Mayor Andrews closed the public testimony.

Mr. Brierley addressed and clarified some issues brought up including the fact that the City did use the Benkendorf Associates, but Mr. Benkendorf was not under contract with any property owners. He recommended the Council uphold the Planning Commission decision by adopting the Comprehensive Plan amendments which are minor changes consistent with the Ad hoc Committee for Newberg's Future and the community's expressed goals for the future of Newberg.

Mayor Andrews closed the public hearing for deliberation.

MOTION: Larson/Shelton approving **Ordinance No. 2010-2724** adopting amendments to the Newberg Comprehensive Plan Housing Element and the Comprehensive Plan Housing and Institutional Land Needs and Supply Data read by title only. (7 Yes/0 No) Motion carried.

VIII. COUNCIL BUSINESS

Mayor Andrews discussed population growth projections with staff. General discussions followed to pursue alternative ways of helping people who cannot pay their utility bills.

Mr. Danicic asked for direction with the request from Commissioner Mary Stern for a donation to YCAP. Council thought it should be brought before the budget committee; there was interest in supporting the request, but there were questions of how much.

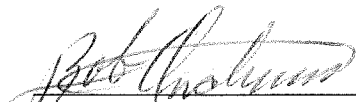
IX. ADJOURNMENT

The meeting adjourned at 9:35 PM.

ADOPTED by the Newberg City Council this 3rd day of May, 2010.


Daniel Danicic, City Recorder

ATTEST by the Mayor this 4th day of May, 2010.


Bob Andrews, Mayor